

Message Text

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ACTION FBO-05

INFO OCT-01 ARA-06 ISO-00 A-01 L-03 SSO-00 /016 W

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O 302130Z SEP 75

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC IMMEDIATE 2938

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E.O. 11652: N/A

TAGS: ABLD, AR

SUBJECT: PROJECT EOBBB, CONTRACT NO. 3102-212008, PROPERTY
NO. 05102

FOR A/FBO AND ARA

1. LATE AFTERNOON SEPTEMBER 29, GREGORIO CHODOS, PRESIDENT OF SITRA CONSTRUCTION FIRM, CALLED ON DCM AND MADE FOLLOWING PROPOSAL WHICH SEEMS TO HAVE SEVERAL POSITIVE ASPECTS WHICH EMBASSY BELIEVES WORTH SERIOUS CONSIDERATION. CHODOS PREFACED HIS PRESENTATION BY SAYING HE WANTED, IF AT ALL POSSIBLE, TO AVOID LEGAL CONFRONTATION OVER INTERPRETATION OF SUBJECT CONTRACT.

2. HE MADE FOLLOWING POINTS:

A. HE WOULD ACCEPT A SUGGESTION BY USG FOR THE TERMINATION OF THE CONTRACT BY COMMON CONSENT, WITH THE UNDERSTANDING THAT OTHER THAN THE SETTLEMENT MENTIONED IN POINT (B), EACH PARTY WOULD RENOUNCE ANY AND ALL PAST, PRESENT AND FUTURE CLAIMS ARISING FROM THE CONTRACT. SITRA WOULD ASSUME RESPONSIBILITY FOR CLAIMS BY SUBCONTRACTORS.

B. SITRA WOULD ACCEPT ANY REASONABLE OFFER BY USG AS FINAL SETTLEMENT FOR THE AMOUNTS STILL CLAIMED BY SITRA AS DUE THEM, OR WHICH COULD ARISE FROM TERMINATION.

C. CHODOS WOULD EXPECT A COMMITMENT, NOT NECESSARILY
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IN WRITING, THAT SITRA WOULD BE ENGAGED AS PRINCIPAL LOCAL

COMPANY IN THE RESTARTED CONSTRUCTION. SITRA WILLING TO ACCEPT ANY ARRANGEMENT AND CONTROLS UNDER FBO MANAGEMENT TEAM AS LONG AS FIRM CAN PARTICIPATE IN PROJECT TO ITS COMPLETION.

D. CHODOS WOULD LIKE ABOVE THREE CONDITIONS TO BE MET BY END OF THIS WEEK, TO STAY WITHIN 30-DAY WORK STOPPAGE. HE OFFERED TO EXTEND WORK STOPPAGE FOR TWO WEEKS, UNDER PRESENT CONDITONS, IF WE NEEDED MORE TIME TO CONSIDER THIS PROPOSALS.

3. ABOVE HAS BEEN DISCUSSED THIS MORNING BY AMBASSADOR WITH FBO REPRESENTATIVES BURMAN AND HOLMES, IN PRESENCE OF DCM AND ADMIN COUNSELOR. AMBASSADOR FEELS CHODOS OFFER CONTAINS ENOUGH POSITIVE ELEMENTS FOR US TO GIVE IT SERIOUS AND QUICK CONSIDERATION.

4. AMBASSADOR RECOMMENDS THAT WE MOVE QUICKLY TO RESUME CONSTRUCTION AT SITE. HE FEELS THAT SITRA OFFERS BEST PROSPECTS FOR EARLY RESUMPTION. EMBASSY, THEREFORE, REQUESTS AUTHORIZATION TO EXPLORE CHODOS SUGGESTIONS IN MORE DEPTH, INCLUDING AMOUNT HE WOULD CONSIDER "REASONABLE" AS FINAL SETTLEMENT, AND HAVE OPTION TO MAKE ORAL COMMITMENT THAT WE ARE DISPOSED TO ENTER INTO MEANINGFUL NEGOTIATIONS WITH SITRA WITH VIEW TO FINISH NEW CHANCERY BUILDING SOONEST UNDER CLOSE FBO DIRECTION.

5. URGE THAT FBO BE READY TO SEND NEGOTIATING TEAM TO BUENOS AIRES SOON, TO BE FOLLOWED BY MANAGEMENT TEAM IN SHORTEST TIME POSSIBLE.

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